

# Initiating Community Partnerships for Local Development

Zselic Region, Somogy County, Hungary

## Background

As a result of the transition to a market economy, many Hungarian communities, from one-industry mine and mill towns to underdeveloped rural areas, have recognized a need to diversify their economic bases, foster entrepreneurship, improve their infrastructure, encourage exports, entice new businesses to the area, enhance the skills of the existing workforce, and increase access to capital. To encourage local and regional economic development, Hungary recently enacted legislation requiring counties to establish County Regional Development Councils. Local areas, however, are still in need of practical tools to enable them to develop strategies and specific project ideas for implementation. The Ministry of Labor recognized a need for a replicable community-based model that could be initiated in areas facing employment problems.

## Innovation

Because County Labor Center regional employment counselors already brought together municipalities, employers, local enterprise agencies, and other actors when responding to layoff situations, they were chosen by the Ministry of Labor to facilitate and organize local economic development (LED) initiatives. The counselors were trained by the Ministry in LED techniques. The first step in implementing the LED model involves setting up a local team of mayors, local small business assistance agencies, County Labor Centers, NGOs, businesses, chambers, regional training centers, regional development councils, entrepreneurs, banks and other interested community members. The team members then participate in a series of four workshops designed to help them craft a local development plan and generate ideas for specific projects.

Confronted with unemployment rates of 15–25 percent, the 19 towns and villages in the Zselic region (total population 18,000, with individual towns between 50 and 2,800) decided to adopt the LED model. The Somogy County Labor Center regional employment counselor helped kick off the effort by encouraging the local area federation, local government leaders, teachers, banks, local artists, county business leaders and tourism promotion agencies, local media, and others to participate in the process. Forty-five individuals participated in the first community assessment workshop, through which they identified problems, needs, assets, windows of opportunity, and additional information needed. In small groups, they tackled questions of access to capital, the business environment, infrastructure, human resources, and quality of life. In the second workshop, they plan to consider economic renewal principles, including ways to support existing businesses, encourage new enterprises, and recruit compatible businesses. In the third workshop, the local participants will focus on generating specific project ideas based on the information they have gathered and analyzed in the first two workshops. The fourth workshop will provide mechanisms for evaluating and prioritizing those ideas.

## Results

The citizens of the Zselic region have taken a significant first step toward completing a community assessment. At the end of this strategic planning process, they will have developed a blueprint for action. Ten other County Labor Centers have begun to work with local communities to establish similar LED teams that will participate in the workshop series. The ten sites cover from one to 42 communities, ranging in population size from 3,500 to 70,000. The first phase of the LED project should be completed by June 1997.

## Summary

To encourage local and regional economic development, the Zselic region of Somogy County is participating in a local economic development (LED) initiative. The citizens of the region have participated in the first of four workshops and have taken a significant first step toward completing a community assessment.

**For more information contact:**

**Istvan Zlinszky, International  
Department, Ministry of  
Labor  
Tel./Fax 36-1-312-3491**

**Zoltan Weiss, Somogy  
County Labor Center  
Tel. 36-82-411-171  
Fax 36-82-413-019**